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UNCLAS ZAGREB 000288

SIPDIS

SENSITIVE

STATE FOR EB/IPC AND EUR/SCE

USTR FOR MARK WU AND LISA ERRION

USDOC FOR 4232/ITA/MAC/EUR/MROGERS

USDOC FOR 3133/USFCS/EUR

E.O. 12958: N/A

TAGS: [ETRD](#) [KIPR](#) [PREL](#) [HR](#)

SUBJECT: RECOMMENDATIONS FOR 301 REVIEW: INTELLECTUAL  
PROPERTY MOU ON PARLIAMENTARY AGENDA

REF: STATE 29551

SENSITIVE BUT UNCLASSIFIED -- PLEASE PROTECT  
ACCORDINGLY.

1. (SBU) WE DO NOT CONCUR WITH THE PHRMA REQUEST TO  
MOVE CROATIA TO THE PRIORITY WATCH LIST SINCE THE NEW  
GOVERNMENT'S RECENT ACTIONS TO SECURE RATIFICATION OF  
THE 1998 INTELLECTUAL PROPERTY RIGHTS MOU DEMONSTRATE A  
SERIOUS NEW COMMITMENT TO ADDRESS THE ISSUES HIGHLIGHTED  
BY PHRMA.

2. (U) ON FEBRUARY 3, THE CROATIAN GOVERNMENT CABINET  
APPROVED THE 1998 INTELLECTUAL PROPERTY RIGHTS MOU, AND  
IT IS NOW ON THE CROATIAN PARLIAMENTARY AGENDA FOR THE  
SESSION STARTING FEBRUARY 25. THE MOU WILL BE  
CONSIDERED IN THE PARLIAMENT UNDER AN EXPEDITED  
PROCEDURE, SO WILL NEED ONLY ONE READING AND A STRAIGHT  
UP OR DOWN VOTE.

3. (SBU) WE ARE VERY ENCOURAGED THAT THE SANADER  
GOVERNMENT HAS FULFILLED ONE OF ITS EARLIEST PROMISES TO  
THE USG AND FOREIGN MINISTER ZUZUL'S JANUARY 21  
COMMITMENT TO THE SECRETARY (RESTATED IN A LETTER DATED  
FEBRUARY 13 TO THE SECRETARY FROM ZUZUL). WE ARE  
CAUTIOUSLY OPTIMISTIC THAT THE MOU WILL EASILY GAIN  
PARLIAMENTARY APPROVAL, BUT THE CROATIAN PHARMACEUTICAL  
LOBBY IS STILL CAPABLE OF CAUSING PROBLEMS.

4. (SBU) NONETHELESS, WE RECOMMEND KEEPING CROATIA ON  
THE WATCH LIST IN ORDER TO MAINTAIN PRESSURE TO RATIFY  
THE MOU, TO IMPLEMENT IT QUICKLY AND TO ADDRESS THE  
OTHER ISSUES THAT DAMAGE OUR INDUSTRY IN THIS MARKET,  
SUCH AS OVERLY LONG REGISTRATION PERIODS AND WEAK PATENT  
ENFORCEMENT.

FRANK

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